

March 1, 2018

Commissioner Robert Taub, Chairman  
Commissioner Tony Hammond, Vice Chairman  
Commissioner Nanci Langley  
Commissioner Mark Acton

Postal Regulatory Commission  
901 New York Avenue, NW, Suite 200  
Washington, DC 20268

RE: Docket No. RM2017-3

Dear Commissioners:

As one of the nation's longest standing direct response production management firms, we're writing to you representing dozens of significant nonprofit organizations we support. Each one of these institutions rely heavily on us and the U.S. Postal Service to raise funds and communicate with their donors. Just as we need to continually keep the bottom line of these nonprofits in mind by thinking creatively of how to minimize potential cost increases, the mailing industry need the U.S. Postal Service to do the same if we expect to continue to see the American nonprofit industry leverage direct mail.

The complexity of the financial difficulties faced by the USPS requires cooperation among all stakeholders. While we understand, and support the validity in reviewing products and pricing any changes must be fiscally reasonable for consumers. Typically, postage makes up 60% of the cost of a mail piece and the marketing budgets of most nonprofits are focused on Direct Response.

Increases in postage above inflation will ultimately lead to reduced mail volumes which many of us believe will perpetuate the issues at hand. The industry needs postage rates that are stable and remain at or below the CPI (Consumer Price Index) and we expect there will be governance around any potential rate changes over the coming years.

We join the Alliance of Nonprofit Mailers in urging you to reconsider your proposal to increase postage rates several times the rate of inflation. Increases that are estimated to reach 7 percent a year, or 40 percent compounded for five years, will not reform the United States Postal Service and will have a major negative impact on both the agency and its customers. We see no pressing need for a change, especially not one that will do harm to all nonprofits using the mail. Respectfully, we ask you to consider this consequence.

Please contemplate the statements being shared by many in our industry that ask you to continue to use the current CPI method of evaluating rate increases going forward.

Sincerely,



Carolyn Angelini

Director of Resource and Supplier Relations